

Teradata in the Gaming Industry

An Executive White Paper

Gregory P. Churak,
Senior Industry
Consultant

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Overview

The gaming industry today is faced with many challenges, from multiple patron choices to increasingly aggressive competitors. One of the biggest challenges is delivering differentiated patron experiences that retain patrons and attract new customers, while also paying careful attention to operational costs and profitability. Many of the leaders in the gaming business have come to realize their secret weapon to meeting customer needs and increasing revenue is enterprise-wide access to their data.

To help these companies drive increased patron profitability and improved operational performance requires an integrated view of all aspects of gaming business information. The analysis of this data yields actionable and even surprising results that can drive both top and bottom line growth.

Gaming companies that use an enterprise data warehouse (EDW) environment based on Teradata® are accessing and utilizing their data to effectively grow their businesses. But more importantly, many of these companies are now evolving beyond pure analysis [what happened?] to predicting [what will happen and why?], operationalizing [what is happening right now?], and automated decision-making [what do I want to happen?].

Based on Teradata Corporation's experience in the gaming industry, as well as its track

record delivering proven business analytics and CRM solutions for Fortune 500 companies in multiple industries, Teradata helps casino enterprises to sustain competitive advantage, improve service to patrons, increase patron loyalty, optimize gaming revenue, achieve a greater return on promotions, better comply with gaming/ government regulations, reduce costs, and improve operational efficiencies.

This paper covers some of the high-level Teradata business solutions for the gaming industry that help to drive significant patron value and return on investment (ROI) for gaming companies:

- > Patron Management
- > Gaming Decisions
- > Advanced Gaming Analytics
- > Web Analytics
- > The Active Data Warehouse

Patron Management

Successful gaming companies today are evolving their capabilities to develop, manage, and execute optimal patron experiences wherever they interact across the business. What patron experiences do most gaming companies consider optimal? Those experiences that are created by personalized, compelling value propositions and are delivered consistently across all channels, so that patrons feel they are personally recognized and remembered wherever they interact with a company.

Optimal experiences collectively result in high-value patron retention and loyalty – which in turn drive patron optimization. Teradata provides a wide range of best-in-class patron management solutions which can be implemented quickly to help business users:

- > Interactively analyze patron groups and individuals for unique opportunities to acquire new patrons or increase patron loyalty
- > Easily build patron segments and automate the execution of cross-channel marketing campaigns
- > Identify the true value of each patron – both today and in terms of their lifetime value – enabling decisions for patron care actions based on the patron's value to the organization
- > Automatically evaluate and use every patron interaction as an actionable marketing opportunity – with automated, rules-driven lead management tools
- > Cultivate highly relevant and timely dialogues with patrons across all channels, including the e-channel, for better strategic brand and patron personalization
- > Incorporate sophisticated multi-step and event-based marketing and know when your patrons are most receptive to personalized offers and messages

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Teradata Customer Management (CM)

Teradata Customer Management is a multi-channel patron management solution that combines analytical intelligence and marketing automation to drive relevant and timely content into operational systems. By helping to build patron equity and act on continuous new revenue opportunities across all channels, Teradata CM provides the power to optimize patron relationships with a common understanding of individual patrons, generated from detailed data at the interaction level.

Teradata CM also enables personalized dialogues with individual patrons that are driven by deep analytics and event triggers, and delivers the power to grow individual patron value through more intelligent marketing campaigns, prioritized communications across channels, and near real-time responsiveness. Finally, by providing modular CRM software solutions, with many functionality entry points, Teradata CM can easily grow with a company's needs as they become more sophisticated.

Teradata CM includes modules to optimize gaming companies' patron management processes:

Analyze – Segmentation; Patron Behavior Analysis; Percentile Analysis; Product/Affinity Analysis; Standard Reports; Cross Segment Analysis; Percentile Profiling; and Pattern Detection

Plan – Communication Manager; Personalization Templates; Personalization Rules; and Event Discovery

Execute – Communication Director and Patron Touchpoint Adapters & APIs

Teradata Profitability Analytics

Teradata Profitability Analytics allows gaming companies to identify the direct and indirect revenue and cost factors that determine a patron's individual profitability, then processes the current and lifetime profitability for each individual based on their specific transactions and history. With Teradata Profitability Analytics, you will know the real value – the profit contribution – of each patron, product or organization in your business. This means that you will be able to better manage and measure patrons as business assets while also better allocating your resources.

Teradata advocates a patron management foundation that leverages the most detailed patron data, enabling gaming companies to cultivate highly relevant and timely dialogues with patrons across all channels, including the e-channel, for better patron relationships. Because gaming companies can identify patrons through the various property club cards and tie those patrons to specific interactions, these businesses have an extremely valuable asset in their patron data. Teradata can help gaming companies uncover and leverage this valuable asset to build

stronger patron relationships and drive increased revenue.

Gaming Decisions

Gaming companies need analysis and reporting tools that can integrate data from all of their operational systems to give their end users a comprehensive view of what is happening in every aspect of corporate and property-based operations. Gaming Decisions is a broad suite of analytical solutions, developed specifically for the gaming industry. These solutions, utilizing the Teradata Database, integrate data from all areas of a gaming company's operational systems to provide a complete up-to-the-minute view of what is happening in the business.

Teradata provides gaming companies with the analytical tools they need to measure performance, pinpoint the source of exceptions, and understand the relationships among patron groups, game types, offers, services purchased and multi-channel communication. Gaming companies who have implemented Gaming Decisions have seen improved slot floor performance, more effective offers, operational efficiencies, higher margins and improved patron retention and wallet share.

Gaming Decisions – Slot and Slot Vender Analysis; Operational Efficiency Analysis; Visit Affinity Analysis; Promotional Analysis; Guest Analysis; Restaurant/Menu-mix Analysis; and Financial Analysis.

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Advanced Gaming Analytics

Many gaming companies today are not getting all of the value out of the data they are collecting, which means they are unable to base their decisions on insights gained from exploring and quantifying their data. Advanced Gaming Analytics enables companies to gain a better understanding of their data and find the valuable insights contained within it, allowing these companies to address a wide range of subject areas which have tremendous potential in advancing gaming success.

Patron Analysis

Allows gaming companies to analyze patron behavior in detail and react to what they find; develop sophisticated segmentation schemes that leverage its data; and predict what patrons are likely to do before they do it.

Patron Behavior Profiling

Enables gaming companies to segment patrons based on their individual entertainment mission (combination of games played, restaurants visited, live shows, offers responded to, etc.); understand what interactions take place during a typical visit; focus on total daily play, independent of who the patron is; and develop strategies to address specific gaming missions.

Slot Assortment Optimization

Supports gaming companies to identify which games are associated with its best patrons; pinpoints the right number of each game to put in place; and determines the impact of denomination, location, and other factors on performance.

Web Analytics

Increasingly, casino patrons are choosing the Web channel rather than call centers or travel agents to research and book trips to gaming properties. Online booking, which is fast becoming the preferred channel for many patrons, is also a valuable tool for driving traffic to traditional booking sources. Today, successful gaming companies leverage their brand strategies across the e-channel to build a multi-channel strategy that keeps pace with competitors, increases patron loyalty and grows share of wallet in the long term.

Web Analytics helps gaming companies gain insight into patron booking behavior, the impact of the web channel on traditional channels, and the effectiveness of promotions within the web channel. This insight enables gaming businesses to maximize the potential of this fastest growing contributor in the multi-channel mix.

Web Analytics enables gaming companies to understand patron purchasing behavior

by analyzing patron interactions, promotional effectiveness and site usability, and by providing retailers with detailed, real-time patron data. Additionally, it helps gaming enterprises predict patron behavior, promotional effectiveness, and sales and profit contribution across patron interaction channels.

The Active Data Warehouse

To enable gaming companies to enjoy critical, long-term success, they need the ability to load and analyze data as fast as their businesses dictate. This is achieved through the Active Data Warehouse (ADW) which directly supports real-time analytics and advanced CRM requirements. Active data warehousing with Teradata allows gaming companies to enable all of their departments to perform any type of analysis from a single, integrated platform.

ADW by Teradata captures and manages detailed data in real time and delivers analytical intelligence for tactical and strategic decision support in a matter of seconds, with 24x7 availability. This level of technological expertise allows gaming companies to have complete, credible, real-time information – more quickly and completely than other platforms. In fact, the ADW is the most optimal engine for a dynamic, holistic view of patrons and the ability to dynamically communicate across all of a company's channels. Since the ADW automates previously manual

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processes, such as managing the patron relationship experience, it allows for advanced analytics from a company's data warehouse environment to personalize key patron interactions.

Teradata: The Technology Behind the Active Data Warehouse

Teradata has been leading the way for the gaming industry as the only vendor to deliver capabilities for active data warehousing. ADW places the most stringent demands for performance, scalability, concurrency, and data freshness that go far beyond those required for traditional data warehousing. With Teradata as the platform behind an ADW, this ground-breaking technology serves both reactive (tactical) and proactive (strategic) decision making – and supports the implementation and exploitation of the following:

Integrated Centralized Data Warehouse

A single integrated view of your enterprise where information recycles throughout and provides value to every aspect of your business. This centralized, mission-critical view of your gaming information concurrently manages all aspects of decision making from mixed workload and resource management, high volume of concurrent users, reliability, availability, serviceability, and a high-performance scalable platform.

Proactive

A traditional Decision Support System integrates data from across all organizations to support proactive, strategic decision making based upon long-term trend analysis and prediction. Teradata's leadership in traditional data warehousing delivers system and query management, complex query with query optimizations, materialized views, analytic extensions, and user-defined functions extended to the ADW strategy.

Reactive

Supports the new economy of CRM, from one-to-one marketing and minute-to-minute tactical decision reaction, to day-to-day operations and events.

Event-Driven Decisions

Automates the business rules to detect events, make decisions, and trigger actions to operational systems, such as event detection with triggers and triggers calling stored procedures, decision making with stored procedures and user-defined functions, and action notification with event triggers.

Tactical Decision Making

High volume, short queries on recent detailed data are optimized for maximum performance to increase tactical decision making at the operational level, thus increasing response service times.

Interactive

With the enabling of information access by external groups such as partners, suppliers, and patrons in a global environment, data are continuously kept current across all touch points.

Continuous Update

Provides data for tactical and event-based decision making such as trickle-feeders, access modules, and load utilities.

Customer Success Stories

Companies from a variety of global industries are turning their data into actionable information that drives business growth and increases competitive advantage. Here are just a few examples:

Leading Gaming Company

One of America's top casino gaming companies has had huge success with an ADW environment from Teradata. Building on the ADW, end users from marketing, call centers, finance, business intelligence, and market research have been able to run ad hoc and scheduled queries to access previously unavailable, detailed patron data on a daily basis. In addition, its ADW has enabled a closed-loop revenue cycle, correlating revenue to special patron offers, helped to realize significant annual increases in revenue to programs developed and executed from the intelligence derived from Teradata,

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and helped database and patron marketing teams to automate the marketing process and develop sophisticated incentive programs with relative ease. This company has achieved:

- > Three-year total benefit of \$208 million.
- > Three years annual ROI of 389%.
- > Three-year cumulative ROI of 779%.
- > Payback in four months.

Leading Online Travel-transportation Marketer

Using ADW by Teradata, a top online travel and transportation marketer has consistently increased annual profits by 60% (multi-year average), with a 25% lift in web booking conversion for recipients of event-driven campaigns such as post booking and new member welcome. In addition, their ADW has enabled them to test and learn what works in advance of campaigns in order to continually improve results.

Leading Retailer

A leading retailer has achieved triple-digit payback in less than six months with their ADW/CRM investment, and gained high double-digit responses from personalized offers to millions of consumers within a year of its CRM investment. Also, this company has realized ROI so quickly that it has expanded its CRM initiative to cover more than 600 stores across the United States.

Summary

Teradata Corporation is the proven leader in helping companies such as Harrah's Entertainment, Kerzner International, American Airlines, and Continental Airlines maximize the value of their loyalty programs. In partnership with these and other firms, Teradata has been able to develop unique solutions that meet the specific needs of each company to increase the lifetime value of their customers.

But while the benefits of ADW are becoming more apparent, companies such as 3M, AT&T, Warner Bros. and MGM have invested millions of dollars in non-Teradata systems and struggled with implementing even the basics of data management before turning to Teradata to install an enterprise data warehouse that helps them attain a single view of their business.

Teradata is the world leader in ADW and is well-positioned to deliver its best-in-class technology, its gaming logical data model, and its applications and business consultants to the gaming industry.

"We are able to keep track of millions of customer activities and we are also able to analyze and predict the true value of each customer. New Customer visits increased 15%. Customer Loyalty is more than 90% and customer gaming wallet share has increased from 36% to 43%."

– *John Boushy, SVP of Operations Products & Services, Harrah's Entertainment*

"Our business is increasingly data intense and relationship dependent. To meet our future goals of creating a personalized online travel service, we needed a strong foundation. We found that in Teradata. As Travelocity.com continues to grow, our database needs will become increasingly demanding. We fully expect this solution will support our growth objectives."

– *Mike Stacy, Senior Vice President of Consumer Marketing, Travelocity.com*

"With the Teradata CRM solution, British Airways is able to re-allocate personnel to create, run and manage customer communications based on different required skill sets. We expect the increased level of insights available about our customers and their experience with British Airways to deliver greater relevance in our outbound communication and much improved levels of service for our customers. And that will help us do the right thing, for the right customer, at the right time."

– *Rob Thorne, Head of Customer Information, British Airways*

About Teradata

Teradata offers powerful, enterprise analytic technologies to companies all over the world to get a single, integrated view of their businesses so they can make better, faster decisions that drive growth and profitability.

Leading companies leverage this integrated view to identify opportunities to sustain

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competitive advantage, improve patron service, increase revenues, improve operational efficiencies, and decrease costs. At the same time, Teradata solutions are more cost effective, simpler to manage, and capable of growing with the needs of the business. Teradata solutions include the Teradata hardware platform, Teradata Database, analytical applications, and consulting and support services.

Teradata patron management solutions enable businesses to communicate with individual patrons across all channels through timely, relevant and personalized messages, based on a shared view of all

interactions, resulting in optimized patron relationships. It provides marketers with a comprehensive integrated analytics environment by exploiting detailed interaction data from all channels to create the right offers at the right time to the right patrons.

Teradata analytical applications help companies better analyze and manage operational, financial and business performance. Industry specific applications support many sectors, including Gaming; Transportation, Logistics, and Distribution; Travel; Retail, Financial Services; Insurance; Manufacturing; Communications and Media and Entertainment.

Built on a proven, world-class methodology, Teradata services support data warehouse strategy development, planning, design, implementation, support and enhancement. More than 2,000 consultants deliver Teradata solutions in 130 countries. To learn more about how Teradata gaming solutions can help your company, go to Teradata.com.

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